VZCZCXRO6455 PP RUEHMR RUEHRN DE RUEHSB #1307/01 3051523 ZNY CCCCC ZZH P 011523Z NOV 06 FM AMEMBASSY HARARE TO RUEHC/SECSTATE WASHDC PRIORITY 0757 INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY RUEHUJA/AMEMBASSY ABUJA 1351 RUEHAR/AMEMBASSY ACCRA 1204 RUEHDS/AMEMBASSY ADDIS ABABA 1355 RUEHRL/AMEMBASSY BERLIN 0106 RUEHBY/AMEMBASSY CANBERRA 0616 RUEHDK/AMEMBASSY DAKAR 0981 RUEHKM/AMEMBASSY KAMPALA 1409 RUEHNR/AMEMBASSY NAIROBI 3787 RUEHFR/AMEMBASSY PARIS 1178 RUEHRO/AMEMBASSY ROME 1830 RUEFDIA/DIA WASHDC//DHO-7// RHEHAAA/NSC WASHDC RUEHBS/USEU BRUSSELS RUEKJCS/JOINT STAFF WASHDC RUCNDT/USMISSION USUN NEW YORK 1572 RUEATRS/DEPT OF TREASURY WASHDC RUCPDOC/DEPT OF COMMERCE WASHDC RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK//DOOC/ECMO/CC/DAO/DOB/DOI// RUEPGBA/CDR USEUCOM INTEL VAIHINGEN GE//ECJ23-CH/ECJ5M//

C O N F I D E N T I A L SECTION 01 OF 02 HARARE 001307

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AF/S FOR S. HILL NSC FOR SENIOR AFRICA DIRECTOR B. PITTMAN USAID FOR M. COPSON AND E. LOKEN

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TAGS: <u>PGOV PREL ECON PINR EFIN ZI</u>

SUBJECT: AMBASSADOR MEETS WITH ZANU-PF'S MAKONI

Classified By: Ambassador Christopher Dell under Section 1.4 b/d

Summary

11. (C) In an October 26 meeting, ZANU-PF Politburo member Simba Makoni told the Ambassador the ruling party government is gridlocked and adrift. Makoni professed ignorance of the details of the succession battle, in which he has been increasingly mentioned as a contender, but noted Mugabe may choose to stay in power. On the economic front, Makoni acknowledged the government,s disastrous economic policies and said reform would require non-existent political will. Makoni, who attended the recent American Business Association of Zimbabwe (ABAZ) conference (septel), agreed with the Ambassador that the conference and follow-up private sector activities could help define the reforms needed for economic recovery, assuming a change of government. End Summary.

ZANU-PF Gridlock

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12. (C) Makoni told the Ambassador that the ZANU-PF government is gridlocked. As a result the government and the country are adrift with no one in the GOZ making the necessary decisions to reverse failed and failing policies. One result is the dismal economic situation. The GOZ, s command and control policies were leading to economic collapse. He noted a UNDP comparative study of governments that had shown the GOZ engaged in more planning than 90 percent of the sample governments but ranked in the bottom four percent in terms of effective implementation. &Are we ready to do anything?8, he asked rhetorically. Noting the continuing collapse of the economy, he answered himself in

the negative--the political will is lacking. He added that most Zimbabweans elites think of themselves first, then their tribes, next their political parties, and last their country.

13. (C) The Ambassador queried whether the state of the economy combined with political paralysis could portend an end of the regime. Makoni responded that Mbutu had held on for 15 years as his country collapsed around him. He noted that despite all the chatter about succession it was entirely possible that Mugabe could likewise decide to hang on to power indefinitely. Makoni feigned ignorance of who the main contenders are in the succession struggle, despite the increasing number of reports that he is himself a potential successor.

ABAZ Conference*Building Blocks for the Future

- 14. (C) Makoni said that in his opinion nothing particularly new had come out of the ABAZ conference in October (septel). The reforms needed were widely known and have been discussed in other fora. What is needed, he once more noted, is the political will to implement these solutions. He pointed out there were only a small number of government officials present and that those officials who can make economic decisions did not attend.
- 15. (C) The Ambassador and Makoni agreed, however, that small meetings building on the conference could be a useful way to build a consensus on needed reforms to be implemented once there is a new and receptive government. Participants in

HARARE 00001307 002 OF 002

such small meetings could include mid-level officials who would be part of the bureaucracy of a new government, professional economists and academics, a parliamentary portfolio committee leaders. The Ambassador also noted that U.S. support of the ABAZ conference and follow-on serves to demystify the U.S. and demonstrate our potential to play a constructive role.

Comment

16. (C) Makoni, a former Finance Minister, is linked by marriage to the Mujeru clan. However, he is widely viewed within ZANU-PF as a technocrat with appeal to both the West and to average Zimbabweans. In that regard, he is much like Central Bank head Gideon Gono, whose name has also begun to be mentioned as a potential successor. We regard the fact that succession talk has increasingly shifted from Joyce Mujeru and Emmerson Mnangagwa, ZANU-PF dinosaurs, to these two individuals as a sign that the ruling party is increasingly aware of its lack of popular appeal and its need for external support if it is to reverse the economic collapse. This effort to seek more moderate and more acceptable leadership to our mind underscores the degree to which the West can increasingly use financial incentives to leverage real reform here, both economic and democratic. DELL